

January 27, 2025

## Q3FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	BUY		BUY	
<b>Target Price</b>	1,550		1,640	
NII (Rs. m)	9,07,590	10,34,725	9,23,516	10,64,207
% Chng.	(1.7)	(2.8)		
Op. Profit (Rs. m)	7,36,597	8,44,263	7,42,122	8,68,197
% Chng.	(0.7)	(2.8)		
EPS (Rs.)	71.6	82.1	71.7	84.1
% Chng.	(0.1)	(2.4)		

### Key Financials - Standalone

Y/e Mar	FY24	FY25E	FY26E	FY27E
NII (Rs bn)	743	811	908	1,035
Op. Profit (Rs bn)	581	671	737	844
PAT (Rs bn)	409	466	506	580
EPS (Rs.)	58.2	66.0	71.6	82.1
Gr. (%)	27.5	13.4	8.5	14.6
DPS (Rs.)	10.0	11.2	12.2	14.0
Yield (%)	0.8	0.9	1.0	1.2
NIM (%)	4.5	4.3	4.2	4.2
RoAE (%)	18.9	18.1	16.9	16.8
RoAA (%)	2.4	2.3	2.2	2.2
P/BV (x)	3.6	3.1	2.7	2.3
P/ABV (x)	3.7	3.1	2.7	2.4
PE (x)	20.8	18.3	16.9	14.7
CAR (%)	16.3	16.7	16.5	16.7

### Key Data ICBK.BO | ICICIBC IN

52-W High / Low	Rs.1,362 / Rs.985
Sensex / Nifty	76,190 / 23,092
Market Cap	Rs.8,538bn/ \$ 99,039m
Shares Outstanding	7,061m
3M Avg. Daily Value	Rs.15815.96m

### Shareholding Pattern (%)

Promoter's	-
Foreign	45.69
Domestic Institution	45.22
Public & Others	9.09
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(6.8)	(1.1)	21.0
Relative	(4.0)	4.0	12.9

#### Gaurav Jani

gauravjani@plindia.com | 91-22-66322235

#### Aditya Modani

adityamodani@plindia.com | 91-22-66322257

#### Harshada Gite

harshadagite@plindia.com | 91-22-66322237

## Asset quality remains best-in-class

### Quick Pointers:

- Core PAT beat owing to better opex/provision/fees. Deposit growth was soft
- Earnings quality remains best in the sector; superior core RoA at 2.1%.

**ICICIB saw a good quarter yet again with core PAT beat of 4.2% as better opex, provisions and fees more than offset lower NII. Loan growth was a tad softer at 2.9% QoQ due to slowdown in retail led by muted offtake in housing, PL, CC and auto. However, credit flow in corporate/BuB was healthy. While deposit growth was weaker at 1.5% QoQ due to rise in lower priced borrowings and CRR cut, balance sheet liquidity was intact as LCR improved QoQ by 180bps to 122.5%. Despite of elevated interest rates and tight liquidity, CASA ratio has improved by 86bps YoY to 40.5%; private peers have seen CASA share fall YoY by 260-540bps. Asset quality is best-in-class; provisions for 9MFY25 were 41bps (private peers at 45-85bps). Our SOTP based TP reduces to Rs1,550 from Rs1,640 since (1) we trim multiple to 2.9x from 3.0x on Sep'26 core ABV due to tough macros and (2) subsidiaries have corrected. Reiterate 'BUY'.**

- Core PAT beat as better opex/provisions/fees offsets lower NII:** NII was lower at Rs203.7bn (PLe Rs206.3bn) due to softer loan growth as NIM was in-line at 4.50% (PLe 4.52%); yield on IEA was lower partly offset by better cost of funds. Loan growth was a slight miss at 13.9% YoY (PLe 14.5%) while deposit accretion was lesser at 14.1% YoY (PLe 16.3%) leading to rise in LDR QoQ to 86.5% from 85.3%, thus protecting NIMs. Other income came in higher at Rs70.7bn (PLe Rs68bn) due to more treasury and fees. Opex at Rs105.5bn was 3.4% below led by lower staff costs. Core PPOp at Rs160bn beat PLe by 1%; PPOp was Rs168.9bn. Asset quality stable; GNPA was 1.99% (PLe 2.03%) due to lower slippages. Provisions were a beat at Rs12.3bn (PLe Rs16bn). Core PAT was 4.2% above PLe at Rs111.2bn; PAT was Rs117.9bn (PLe Rs111.8bn).
- Sequential loan accretion led by corporate/BuB:** Credit accretion was 2.9% QoQ mainly led by BuB/corporate which grew by 6.4%/4.3%. Retail growth was slower at 1.4% QoQ owing to (1) muted offtake in PL/CC due to tightened credit filters and sourcing cost optimization (2) slower housing growth led by softer demand in affordable and increased competition affecting pricing and (3) general slowdown in auto, impacting demand. Deposit growth was soft at 1.4% QoQ due to 1) increase in cost-effective refinance borrowings 2) CRR cut in w.e.f. mid Dec'24 and 3) slower loan growth. CASA performance of ICICIB has been superior since CASA ratio has improved by 86bps YoY to 40.5% compared to a fall of 260-540bps for private peers.
- Asset quality has been controlled and better vs peers:** Despite Q3 usually seeing KCC stress, slippages were controlled at Rs60.9bn (PLe Rs62.3bn) that included KCC slippages of Rs7.14bn; recoveries remain healthy at Rs33.9bn (PLe Rs33bn). Provisions at 40bps (PLe 52bps) have been lower than private peers which have seen provisions between 51-89bps. Credit cost is stable in retail and BuB while it has been low in corporate due to 1) better underwriting and 2) TWO recoveries. Provisions are guided to be <50bps.

**Exhibit 1: PAT beat due to better fee ,cost management and lower provision; asset quality stable**

P & L (Rs mn)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25E	% Var.
Interest income	412,998	366,946	12.6	405,374	1.9	419,684	(1.6)
Interest expense	209,292	180,160	16.2	204,894	2.1	213,384	(1.9)
<b>Net interest income (NII)</b>	<b>203,706</b>	<b>186,786</b>	<b>9.1</b>	<b>200,480</b>	<b>1.6</b>	<b>206,300</b>	<b>(1.3)</b>
Other income	70,681	60,971	15.9	71,767	(1.5)	67,998	3.9
- Fee income	61,800	53,130	16.3	58,940	4.9	61,298	0.8
- Other non-interest income	8,881	7,841	13.3	12,827	(30.8)	6,700	32.5
<b>Total income</b>	<b>274,387</b>	<b>247,756</b>	<b>10.7</b>	<b>272,246</b>	<b>0.8</b>	<b>274,298</b>	<b>0.0</b>
Operating expenses	105,521	100,520	5.0	105,015	0.5	109,231	(3.4)
-Staff expenses	39,291	38,127	3.1	41,361	(5.0)	42,395	(7.3)
-Other expenses	66,231	62,393	6.2	63,653	4.0	66,836	(0.9)
<b>Operating profit</b>	<b>168,866</b>	<b>147,236</b>	<b>14.7</b>	<b>167,232</b>	<b>1.0</b>	<b>165,066</b>	<b>2.3</b>
<b>Core operating profit</b>	<b>159,985</b>	<b>139,396</b>	<b>14.8</b>	<b>154,405</b>	<b>3.6</b>	<b>158,366</b>	<b>1.0</b>
Total provisions	12,267	10,494	16.9	12,331	(0.5)	16,000	(23.3)
<b>Profit before tax</b>	<b>156,599</b>	<b>136,743</b>	<b>14.5</b>	<b>154,901</b>	<b>1.1</b>	<b>149,066</b>	<b>5.1</b>
Tax	38,675	34,027	13.7	37,442	3.3	37,267	3.8
<b>Profit after tax</b>	<b>117,924</b>	<b>102,715</b>	<b>14.8</b>	<b>117,459</b>	<b>0.4</b>	<b>111,800</b>	<b>5.5</b>
<b>Balance Sheet (Rs mn)</b>							
Deposits	15,203,088	13,323,145	14.1	14,977,607	1.5	15,500,782	(1.9)
Advances	13,143,661	11,537,710	13.9	12,772,404	2.9	13,206,666	(0.5)
<b>Profitability ratios (%) (calc)</b>							
<b>NIM</b>	4.5	4.8	-28bps	4.5	-5bps	4.5	-1bps
RoAA	2.5	2.5	0bps	2.5	-6bps	2.3	15bps
RoAE	18.9	19.7	-73bps	19.8	-83bps	18.0	88bps
<b>Asset Quality</b>							
Gross NPA (Rs m)	277,453	287,746	(3.6)	271,212	2.3	284,494	-2bps
Net NPA (Rs m)	58,978	53,785	9.7	56,851	3.7	56,899	4bps
<b>Gross NPL ratio</b>	2.0	2.3	-35bps	2.0	2bps	2.0	-4bps
<b>Net NPL ratio</b>	0.4	0.4	-2bps	0.4	1bps	0.4	2bps
Coverage ratio (calc.)	78.7	81.3	-257bps	79.0	-29bps	80.0	-126bps
<b>Business &amp; Other Ratios</b>							
CASA mix	40.5	39.6	86bps	40.6	-15bps		
CASA mix - Average	39.0	39.4	-40bps	38.9	10bps		
Cost-income ratio	38.5	40.6	-212bps	38.6	-12bps	39.8	-137bps
Non int. inc / total income	25.8	24.6	115bps	26.4	-60bps	24.8	97bps
Credit deposit ratio	86.5	86.6	-15bps	85.3	118bps	85.2	125bps
CAR	14.7	14.6	10bps	15.4	-64bps		
Tier-I	14.0	13.9	10bps	14.7	-61bps		

Source: Company, PL

## Key Q3FY25 Concall Highlights

### Assets/Liabilities

- **Mortgage loan** growth has been softer has due to increased competition affecting pricing. Demand has been good in the high-ticket segment but softer in the more affordable segment. Thus, disbursements are not increasing.
- **Vehicle loans** are a function of underlying asset; growth in portfolio would be a function of new vehicle launches and change in environment. ICICI primarily deals with new car loans.
- **Business banking** growth is due to digitalization, formalization, GST, credit discipline & 360 customer centric approach i.e. lending/deposits/transaction banking. BuB is granular but secured, similar to retail portfolio.
- **Corporate banking** is a function of overall relationship with the company where there are periodic WC and ST/LT funding requirements. These opportunities are leveraged basis risk-reward framework.
- Unsecured book growth flattened due to tightening of credit filters.
- PSL: ICICI purchases significant PSLC, particularly for SMF. PSL requirements are expected to be achieved even after reduction in RIDF portfolio.
- **Deposit growth** was soft due to 1) slower loan growth 2) CRR cut 3) reduction in RIDF portfolio and 4) increase in cost-effective refinance borrowings.
- **Stable CASA** is due to customer stickiness and ease of using digital platforms. No product was introduced.
- **Average LCR** for the quarter increase to 122.5% from 120.7% in Q2FY25.

### NIM/fees/opex

- Fall in yield was largely due to 1) an increase in number of days in Q3 vs Q2 and 2) reversal of interest primarily on account of KCC slippages. A bounce back in yield on advances is expected in Q4FY25.
- Customers adopting digital platforms led to increase in fee income.
- Investments in headcount, technological expenses and branch additions are made as per requirements. Focus is on improving operating leverage. Thus, operating expenses may not move in-line with the business growth.

### Asset quality

- Generally higher **farm slippages** are expected from KCC portfolio in Q1/Q3.
- Rise in BBB portfolio is due to 1) incremental lending and 2) reduction in BB.
- **Credit cost** is stable in retail, BuB while it has been controlled in corporate due to 1) better underwriting and 2) recoveries from written-off accounts.
- **Credit cost** of retail is higher than BuB. **Provisions** are guided to be <50bps.

Domestic loan growth was strong across segments at 15.1% YoY/3.2% QoQ; international loan book fell.

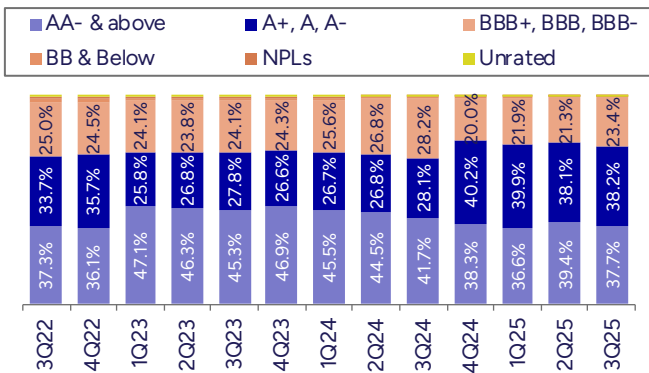
Retail growth was moderated due to slower home loans (+11.4% YoY) and PL (+8.8% YoY) growth. Credit card growth moderated.

**Exhibit 2: Business banking grows strong at 31.9% YoY, followed by corporate**

Loan Book Details (Rs bn)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)
<b>Total Loan Book</b>	13,144	11,538	13.9	12,772	2.9
Domestic Loan book	12,828	11,148	15.1	12,431	3.2
Retail Loan book	7,033	6,362	10.5	6,935	1.4
Domestic Corporate book	2,807	2,479	13.2	2,690	4.3
Rural	795	708	12.2	788	0.9
Business Banking	2,480	1,881	31.9	2,330	6.4
International Loan book	316	390	(18.9)	342	(7.5)
<b>Retail Loan book break-up</b>					
Home Loans	4,277	3,841	11.4	4,191	2.1
Vehicle loans	956	905	5.7	943	1.4
Personal Loans	1,209	1,111	8.8	1,225	(1.3)
Credit Cards	568	482	17.9	553	2.8
Loan against shares and others	22	23	(3.2)	23	(5.0)
<b>Composition of Loan Book</b>					
Domestic Loan book	98%	97%	97bps	97%	27bps
Retail Loan book	54%	55%	-163bps	54%	-79bps
Domestic Corporate book	21%	21%	-13bps	21%	29bps
Rural	6%	6%	-9bps	6%	-12bps
Business Banking	19%	16%	257bps	18%	63bps
International Loan book	2%	3%	-97bps	3%	-27bps
<b>Retail Loan book break-up</b>					
Home Loans	61%	60%	44bps	60%	39bps
Vehicle loans	14%	14%	-63bps	14%	0bps
Personal Loans	17%	17%	-28bps	18%	-48bps
Credit Cards	8%	8%	51bps	8%	11bps
Loan against shares and others	0%	0%	-4bps	0%	-2bps

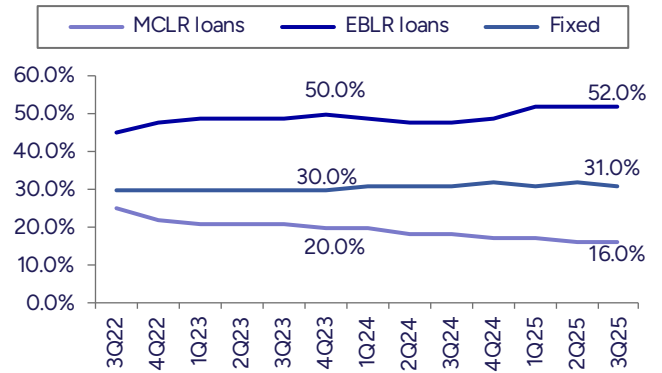
Source: Company, PL

**Exhibit 3: A- & above rated book dominates at 75.9%**



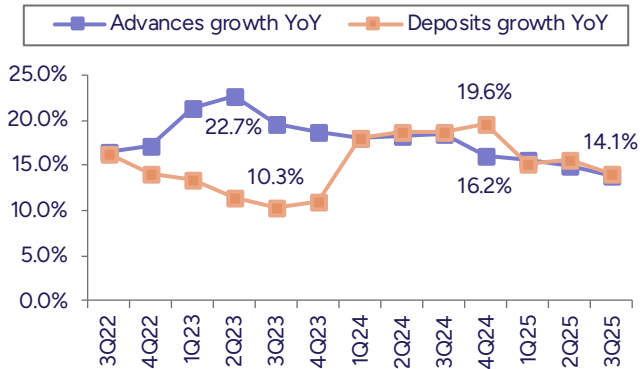
Source: Company, PL

**Exhibit 4: Fixed rate book reduces to 31% (32% QoQ)**



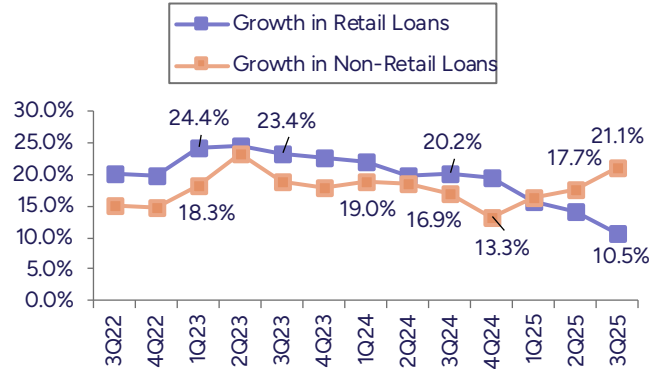
Source: Company, PL

**Exhibit 5: Deposits grew faster than advances at 14.1% YoY**



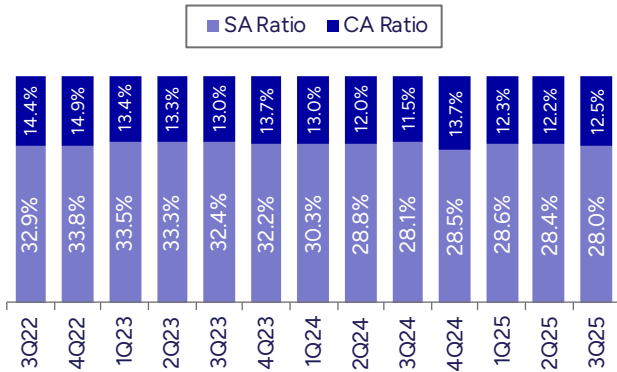
Source: Company, PL

**Exhibit 6: Non-retail loan growth outpaced retail loan growth**



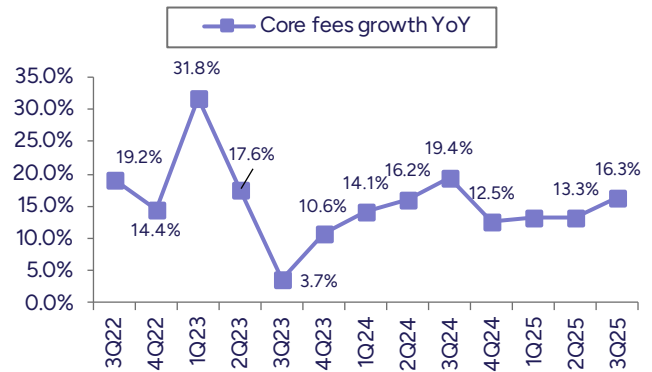
Source: Company, PL

**Exhibit 7: CASA declines by 15bps QoQ to 40.49%**



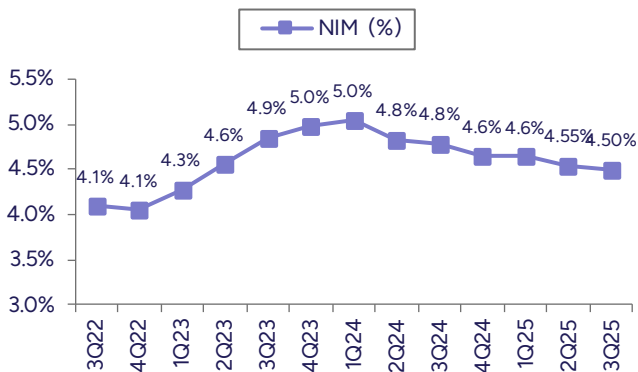
Source: Company, PL

**Exhibit 8: Core fees grew 16.3% YoY**



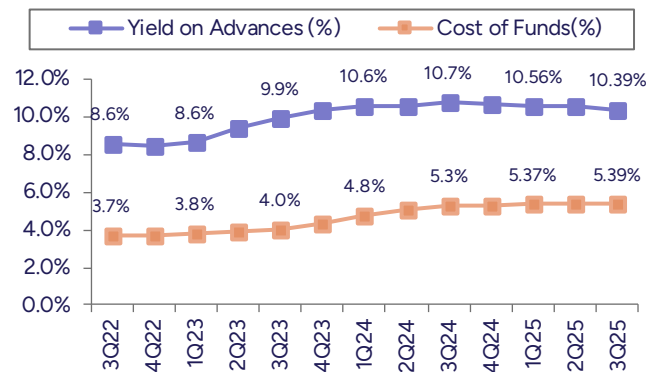
Source: Company, PL

**Exhibit 9: NIM (calc) falls by 5bps to 4.50%**

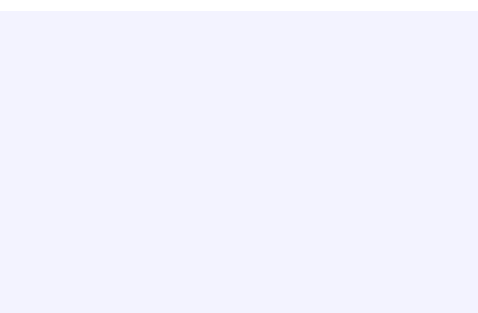


Source: Company, PL

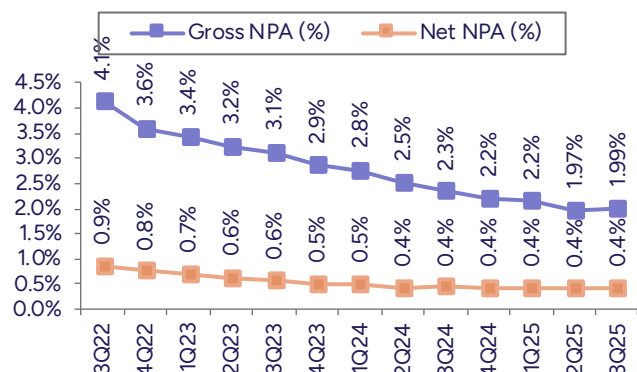
**Exhibit 10: Fall in yield was due to interest reversal due to KCC**



Source: Company, PL

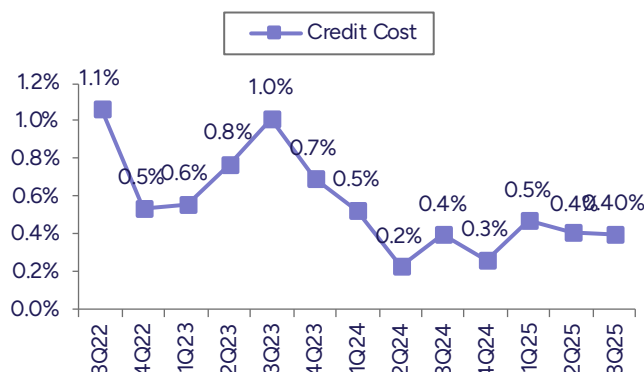


**Exhibit 11: GNPA's were stable sequentially at 2.0%**



Source: Company, PL

**Exhibit 12: Credit cost largely stable at 0.40%**



Source: Company, PL

**Exhibit 13: BB rated and below book sees improvement; net stressed assets at 0.9%**

Particulars (Rs Million)	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Gross Restructured Loans	23,890	22,890	21,980	8,790	7,740	7,270	6,230	6,610	6,450	5,720	0	0
Non Fund O/s to non-performing loans	36,400	36,700	35,160	38,690	37,800	37,040	38,860	36,940	36,710	35,430	33,820	31,600
Borrowers with o/s >Rs1.0bn	58,810	38,050	32,550	26,060	18,010	15,030	21,910	31,660	26,890	27,220	25,530	16,690
Borrowers with o/s <Rs1.0bn	25,380	21,150	21,850	20,960	21,290	20,460	8,790	20,260	21,940	8,990	8,330	5,2400
<b>Total BB &amp; Below rated book</b>	<b>144,480</b>	<b>118,790</b>	<b>111,540</b>	<b>94,500</b>	<b>84,840</b>	<b>79,800</b>	<b>86,750</b>	<b>95,470</b>	<b>91,990</b>	<b>77,070</b>	<b>67,680</b>	<b>53,530</b>
<b>Total BB &amp; Below rated book (excl. NFB o/s to NPL)</b>	<b>108080</b>	<b>82090</b>	<b>76380</b>	<b>55810</b>	<b>47040</b>	<b>42760</b>	<b>36,930</b>	<b>58530</b>	<b>55280</b>	<b>41,640</b>	<b>33,860</b>	<b>21,930</b>
<b>Movement in BB &amp; Below Book</b>												
Slippage to NPA	1,560	1,190	570	11,210	1,520	NA	NA	NA	NA	NA	NA	NA
Upgrades to investment grade & O/s reduction	18,040	26,730	8,570	12,460	12,580	NA	NA	NA	NA	NA	NA	NA
Downgrades from investment grade	3,850	1,930	3,430	3,100	3,640	NA	NA	NA	NA	NA	NA	NA
<b>BB &amp; Below at end of period</b>	<b>144,480</b>	<b>118,790</b>	<b>111,540</b>	<b>94,500</b>	<b>84,840</b>	<b>79,800</b>	<b>86,750</b>	<b>95,470</b>	<b>91,990</b>	<b>77,070</b>	<b>67,680</b>	<b>53,530</b>
% of Net Advances	1.7%	1.3%	1.2%	1.0%	0.8%	0.8%	0.8%	0.8%	0.8%	0.6%	0.5%	0.4%
<b>GNPA %</b>	<b>4.1%</b>	<b>3.6%</b>	<b>3.4%</b>	<b>3.2%</b>	<b>3.1%</b>	<b>2.9%</b>	<b>2.8%</b>	<b>2.5%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>2.0%</b>	<b>2.0%</b>
<b>NNPA %</b>	<b>0.9%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>
<b>Net Stressed Assets %</b>	<b>2.8%</b>	<b>2.5%</b>	<b>2.1%</b>	<b>1.8%</b>	<b>1.6%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.9%</b>

Source: Company, PL **Note – Total BB & below disclosed only for corporate book from Q2FY25 onwards**

**Exhibit 14: Slippages controlled at Rs60.85bn; write-offs increase to Rs20.69bn**

Asset Quality Break-up	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Fresh Slippages	40,180	42,040	58,250	43,360	57,230	42,970	53,180	46,870	57,140	51,390	59,160	50,730	60,850
- Retail	38,530	37,360	50,370	36,580	41,590	40,200	50,720	43,640	54,820	49,280	57,320	43,410	53,040
- Non retail (corporate/SME)	1,650	4,680	7,880	7,080	15,640	2,770	2,460	3,230	2,320	2,110	1,840	7,320	7,810
- Slippages below Investment grade	230	1,560	1,190	570	11,210	1,520	0	0	0	0	0	0	0
Recovery & Upgrades	42,090	46,930	54,430	37,610	46,040	42,830	35,103	45,710	53,510	39,180	32,920	33,190	33,920
Write-offs & Sale of NPA	41,930	26,440	11,393	11,673	11,616	13,585	11,690	19,220	16,048	20,340	17,530	33,360	20,688

Source: Company, PL

**Exhibit 15: On track towards 16-17% ROEs**

RoA decomposition	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Net interest income</b>	2.8	2.9	3.2	3.3	3.6	4.1	4.3	4.1	4.0	4.0
Other Inc. from operations	2.1	1.6	1.6	1.6	1.4	1.3	1.3	1.4	1.4	1.4
<b>Total income</b>	4.9	4.5	4.8	5.0	5.0	5.5	5.6	5.5	5.4	5.4
Employee expenses	0.7	0.7	0.8	0.7	0.7	0.8	0.9	0.8	0.8	0.8
Other operating expenses	1.2	1.2	1.3	1.2	1.3	1.4	1.4	1.3	1.3	1.3
<b>Operating profit</b>	3.0	2.5	2.7	3.1	3.0	3.3	3.4	3.4	3.3	3.3
Tax	0.1	0.0	0.6	0.3	0.6	0.7	0.8	0.8	0.7	0.7
Loan loss provisions	2.1	2.1	1.4	1.4	0.7	0.4	0.2	0.3	0.3	0.3
<b>RoAA</b>	0.8	0.4	0.8	1.4	1.8	2.1	2.4	2.3	2.2	2.2
<b>RoAE</b>	6.8	3.2	7.3	12.6	15.0	17.5	18.9	18.1	16.9	16.8

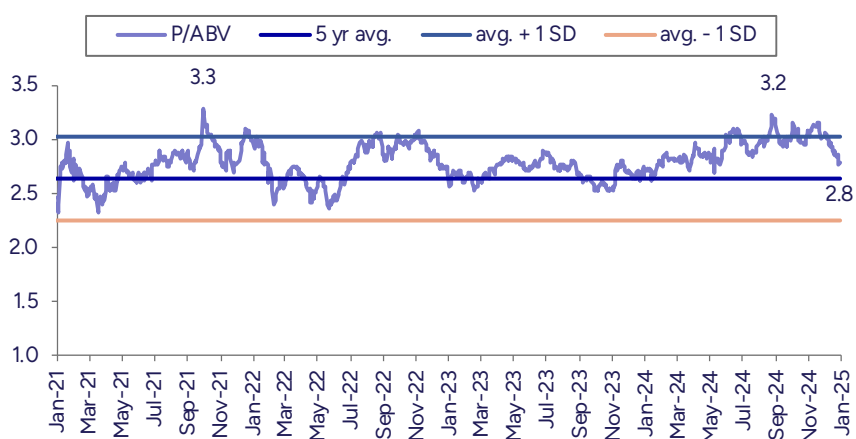
Source: Company, PL

**Exhibit 16: SOTP valuation of Rs1,550, core bank valued at 2.9x on Sep'26E**

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
ICICI Bank	100.0%	1,333	84.7	2.9	Sep'26 Core ABV
ICICI Pru Life	51.2%	62	4.0	1.00	Mkt Cap
ICICI Lombard	51.3%	66	4.2	1.00	Mkt Cap
ICICI Pru AMC	51.0%	64	4.1	43.0	FY24 PAT
ICICI Securities	74.7%	28	1.8	1.00	Mkt Cap
ICICI Home Fin.	100.0%	11	0.7	2.50	FY24 ABV
ICICI UK+Canada	100.0%	10	0.6	1.00	FY24 ABV
<b>Total</b>		<b>1,574</b>	<b>100.0</b>		
Holdco discount 10%		24			
<b>Target Price</b>		<b>1,550</b>			

Source: Company, PL

**Exhibit 17: ICICIBC 1-year forward P/ABV trades at 2.8x**



Source: Company, PL



**Income Statement (Rs. m)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
Int. Earned from Adv.	11,09,439	12,70,259	14,29,300	16,12,869
Int. Earned from invt.	2,86,310	3,34,821	3,64,396	4,02,277
Others	15,246	13,123	14,844	14,844
<b>Total Interest Income</b>	<b>14,28,909</b>	<b>16,38,734</b>	<b>18,32,337</b>	<b>20,59,413</b>
Interest Expenses	6,85,852	8,27,364	9,24,748	10,24,689
<b>Net Interest Income</b>	<b>7,43,057</b>	<b>8,11,370</b>	<b>9,07,590</b>	<b>10,34,725</b>
Growth(%)	19.6	9.2	11.9	14.0
Non Interest Income	2,29,578	2,85,028	3,10,416	3,53,554
<b>Net Total Income</b>	<b>9,72,635</b>	<b>10,96,398</b>	<b>12,18,006</b>	<b>13,88,278</b>
Growth(%)	28.5	16.0	11.4	12.6
Employee Expenses	1,51,420	1,64,826	1,78,491	1,97,491
Other Expenses	2,23,281	2,61,021	3,02,918	3,46,525
Operating Expenses	3,91,327	4,25,847	4,81,409	5,44,015
<b>Operating Profit</b>	<b>5,81,308</b>	<b>6,70,551</b>	<b>7,36,597</b>	<b>8,44,263</b>
Growth(%)	18.4	15.4	9.8	14.6
NPA Provision	9,448	31,006	40,435	47,678
Total Provisions	36,429	51,842	62,256	71,395
<b>PBT</b>	<b>5,44,878</b>	<b>6,18,709</b>	<b>6,74,340</b>	<b>7,72,869</b>
Tax Provision	1,35,996	1,52,523	1,68,585	1,93,217
Effective tax rate (%)	25.0	24.7	25.0	25.0
<b>PAT</b>	<b>4,08,883</b>	<b>4,66,186</b>	<b>5,05,755</b>	<b>5,79,651</b>
Growth(%)	28.2	14.0	8.5	14.6

**Balance Sheet (Rs. m)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
Face value	2	2	2	2
No. of equity shares	7,023	7,061	7,061	7,061
Equity	14,047	14,121	14,121	14,121
Networth	23,83,993	28,16,828	32,36,605	37,17,716
Growth(%)	18.8	18.2	14.9	14.9
Adj. Networth to NNPA's	53,778	56,571	63,730	72,348
Deposits	1,41,28,250	1,58,33,526	1,82,56,888	2,08,06,372
Growth(%)	19.6	12.1	15.3	14.0
CASA Deposits	59,58,722	66,01,387	77,30,202	89,44,902
% of total deposits	42.2	41.7	42.3	43.0
<b>Total Liabilities</b>	<b>1,87,15,146</b>	<b>2,10,01,351</b>	<b>2,40,81,163</b>	<b>2,75,68,991</b>
Net Advances	1,18,44,064	1,36,16,832	1,55,18,355	1,76,85,416
Growth(%)	16.2	15.0	14.0	14.0
Investments	46,19,423	49,15,502	56,67,833	64,59,317
<b>Total Assets</b>	<b>1,87,15,146</b>	<b>2,10,01,351</b>	<b>2,40,81,163</b>	<b>2,75,68,991</b>
Growth (%)	18.1	12.2	14.7	14.5

**Asset Quality**

Y/e Mar	FY24	FY25E	FY26E	FY27E
Gross NPAs (Rs m)	2,79,620	2,82,608	3,19,265	3,62,470
Net NPAs (Rs m)	53,778	56,571	63,730	72,348
Gr. NPAs to Gross Adv.(%)	2.3	2.0	2.0	2.0
Net NPAs to Net Adv. (%)	0.4	0.4	0.4	0.4
NPA Coverage %	80.8	80.0	80.0	80.0

**Profitability (%)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
NIM	4.5	4.3	4.2	4.2
RoAA	2.4	2.3	2.2	2.2
RoAE	18.9	18.1	16.9	16.8
Tier I	15.6	15.9	15.9	16.0
CRAR	16.3	16.7	16.5	16.7

Source: Company Data, PL Research

**Quarterly Financials (Rs. m)**

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Interest Income	3,79,484	3,89,958	4,05,374	4,12,998
Interest Expenses	1,88,556	1,94,429	2,04,894	2,09,292
<b>Net Interest Income</b>	<b>1,90,928</b>	<b>1,95,529</b>	<b>2,00,480</b>	<b>2,03,706</b>
YoY growth (%)	8.1	7.3	9.5	9.1
CEB	54,360	54,900	58,940	61,800
Treasury	-	-	-	-
Non Interest Income	56,488	70,019	71,767	70,681
<b>Total Income</b>	<b>4,35,971</b>	<b>4,59,977</b>	<b>4,77,140</b>	<b>4,83,679</b>
Employee Expenses	37,202	43,705	41,361	39,291
Other expenses	59,826	61,595	63,653	66,231
Operating Expenses	97,028	1,05,300	1,05,015	1,05,521
<b>Operating Profit</b>	<b>1,50,388</b>	<b>1,60,248</b>	<b>1,67,232</b>	<b>1,68,866</b>
YoY growth (%)	8.8	13.3	17.5	14.7
Core Operating Profits	1,48,260	1,45,129	1,54,405	1,59,985
NPA Provision	-	-	-	-
Others Provisions	7,185	13,322	12,331	12,267
Total Provisions	7,185	13,322	12,331	12,267
<b>Profit Before Tax</b>	<b>1,43,203</b>	<b>1,46,927</b>	<b>1,54,901</b>	<b>1,56,599</b>
Tax	36,127	36,336	37,442	38,675
<b>PAT</b>	<b>1,07,075</b>	<b>1,10,591</b>	<b>1,17,459</b>	<b>1,17,924</b>
YoY growth (%)	17.4	14.6	14.5	14.8
<b>Deposits</b>	<b>1,41,28,250</b>	<b>1,42,61,495</b>	<b>1,49,77,607</b>	<b>1,52,03,088</b>
YoY growth (%)	19.6	15.1	15.7	14.1
<b>Advances</b>	<b>1,18,44,064</b>	<b>1,22,31,543</b>	<b>1,27,72,404</b>	<b>1,31,43,661</b>
YoY growth (%)	16.2	15.7	15.0	13.9

**Key Ratios**

Y/e Mar	FY24	FY25E	FY26E	FY27E
CMP (Rs)	1,209	1,209	1,209	1,209
EPS (Rs)	58.2	66.0	71.6	82.1
Book Value (Rs)	335	395	454	522
Adj. BV (70%)(Rs)	327	387	445	512
P/E (x)	20.8	18.3	16.9	14.7
P/BV (x)	3.6	3.1	2.7	2.3
P/ABV (x)	3.7	3.1	2.7	2.4
DPS (Rs)	10.0	11.2	12.2	14.0
Dividend Payout Ratio (%)	17.2	17.0	17.0	17.0
Dividend Yield (%)	0.8	0.9	1.0	1.2

**Efficiency**

Y/e Mar	FY24	FY25E	FY26E	FY27E
Cost-Income Ratio (%)	40.2	38.8	39.5	39.2
C-D Ratio (%)	83.8	86.0	85.0	85.0
Business per Emp. (Rs m)	184	195	212	232
Profit per Emp. (Rs lacs)	29	31	32	35
Business per Branch (Rs m)	3,982	4,164	4,460	4,798
Profit per Branch (Rs m)	63	66	67	72

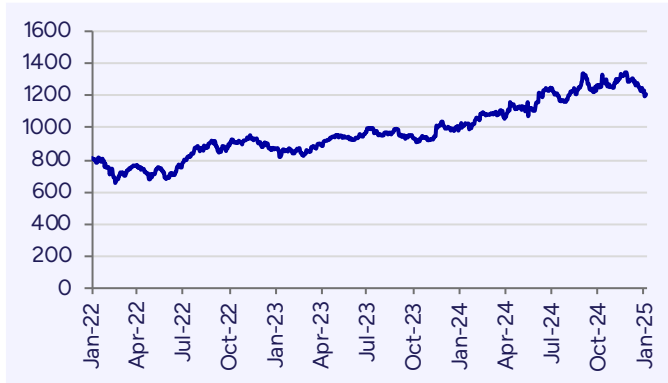
**Du-Pont**

Y/e Mar	FY24	FY25E	FY26E	FY27E
NII	4.30	4.09	4.03	4.01
Total Income	5.63	5.52	5.40	5.38
Operating Expenses	2.26	2.14	2.14	2.11
PPoP	3.36	3.38	3.27	3.27
Total provisions	0.21	0.26	0.28	0.28
RoAA	2.37	2.35	2.24	2.24
RoAE	18.89	18.14	16.88	16.82

Source: Company Data, PL Research



Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-25	BUY	1,640	1,279
2	27-Oct-24	BUY	1,640	1,255
3	07-Oct-24	BUY	1,520	1,240
4	28-Jul-24	BUY	1,520	1,207
5	08-Jul-24	BUY	1,450	1,233
6	28-Apr-24	BUY	1,450	1,108
7	09-Apr-24	BUY	1,300	1,087

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	1,900	1,681
2	Axis Bank	BUY	1,350	1,038
3	Bank of Baroda	BUY	315	232
4	Can Fin Homes	BUY	860	708
5	City Union Bank	BUY	190	171
6	DCB Bank	BUY	155	117
7	Federal Bank	BUY	220	197
8	HDFC Asset Management Company	BUY	4,700	3,865
9	HDFC Bank	BUY	1,950	1,666
10	ICICI Bank	BUY	1,640	1,279
11	IndusInd Bank	BUY	1,500	984
12	Kotak Mahindra Bank	BUY	2,230	1,759
13	LIC Housing Finance	Hold	675	583
14	Nippon Life India Asset Management	BUY	725	653
15	State Bank of India	BUY	1,025	779
16	UTI Asset Management Company	BUY	1,320	1,296

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<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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